



	<b>No. 04-02</b>
<b>Subject:</b> CALSTARS Automated Year-end process for Governmental Cost Funds	<b>Date Issued:</b> 02/26/2004
<b>References:</b>	<b>Expires:</b> 08/20/2004

**PURPOSE:**

To announce a new CALSTARS process that automates Year-end reporting for Governmental Cost Funds (including those with fund source "B" - legal basis bond funds) and steps agencies must take in order to participate in the process.

**BACKGROUND:**

In 1999, CALSTARS introduced the DB2 and H02 reports. These reports provide a semi-automated process for preparing monthly CALSTARS reconciliations to SCO accounts. A new SCO Account segment was added to the Appropriation Symbol (AS) table, which links CALSTARS file data to SCO account balances. The SCO Account segment in the AS table records has now been used in the development of the new CALSTARS Automated Year-end process.

The CALSTARS Automated Year-end process electronically transmits accrual and adjustment records to the SCO in lieu of submitting paper copies of Reports 1, 2, 3, 5, and 15. This process includes ordering the new DB3 report, validating amounts on the DB3, posting a few automated year-end transactions, and electronically submitting each fund's data to the SCO. Once the year-end data is successfully sent to the SCO, the new system generated CSYDB3-1 and CSYDB3-2 reports are ROPED to agency printers. The CSYDB3-1 is then forwarded to the SCO with the remaining required year-end statements and certification(s).

The SCO approved the CALSTARS Automated Year-end process after CALSTARS conducted a successful pilot with 17 organizations that produced 43 sets of automated year-end statements for June 30, 2003. Automated statements will be available to all agencies June 30, 2004. Use of the Automated Year-end process is optional. Agencies may continue with their current year-end reporting processes. If agencies choose to participate in the new process, they may choose how many of their Governmental Cost Funds will be included in the automated process.

The process for submitting automated year-end statements is summarized below:

- ✧ After all final FM 13 reconciliations are complete, request the G02 and DB3 reports in lieu of preparing Reports 1, 2, 3, 5, and 15 (paper copies required only for the first year agency participates in automated year-end).
- ✧ Review and validate the accounts/amounts on the DB3 against the G02 and the FM13 reconciliations.
- ✧ Research and resolve any edit messages on the DB3.

- ✧ Make final postings to CALSTARS using the automated year-end transaction codes (TC 751 – TC 760).
- ✧ Request the DB3 report to validate corrections and final postings to CALSTARS.
- ✧ Transmit data to SCO via Command F.2 on the CALSTARS main menu.
- ✧ View the F.2 SCO Year-end Data Transfer screen to determine if the year-end data was successfully sent to the SCO. If so, obtain the CSYDB3-1 and CSYDB3-2 reports. If not, make necessary adjustments/corrections to the fund and submit again.
- ✧ Once the CSYDB3-1 report is received, add the report to the year-end package and submit it to the SCO by the report deadlines.

A detailed listing and description of these steps will be included in the next revision to Volume 7. The Automated Year-end process (Volume 7), the DB3 report (Volume 6), the new transaction codes (Volume 5), and additional error messages (Volume 4) will be available on the CALSTARS internet site in March.

## **REQUIRED ACTION**

Listed below are the steps that must be taken in order to participate in the Automated Year-end process. Agencies currently using the DB2 report may expect a smooth transition to Automated Year-end statements.

- ✧ By April 30, 2004 - SCO Account Segments must be set up in AS table records. Volume 2, Chapter IV-AS provides information on setting up the SCO Account Segments in the AS Table. The CALSTARS DB2 report may be used as a guide to ensure that the SCO Account Segments are set up appropriately and to verify that old accounts have been cleaned up.
- ✧ By May 28, 2004 - Agencies that want to participate in the CALSTARS Automated Year-end process for June 30, 2004 must notify CALSTARS. Please contact Kelley Woodward at (916) 445-0211, extension 2825, or Mark Baude at (916) 445-0211, extension 2844.
- ✧ By May 28, 2004 - Agencies must submit a CALSTARS 95 form (CALSTARS Security Form, REV 10/03) for Item 14 (SCO Year-end FTP) for each employee who will view or select fund records for transmittal to the SCO. CALSTARS Agency Security Officers can obtain the current version of the CALSTARS 95 form by contacting Audrey Kaake at (916) 445-0211, extension 2858.
- ✧ Prior to attending Session II year-end training, agency staff should read the new Automated Year-end Process chapter in Volume 7.
- ✧ By June 30, 2004 - Staff should attend the one or two day Session II year-end training class offered in Sacramento during May and June 2004.

- ☛ By July 2, 2004 - The CALSTARS Menu F.2 will be available. Agencies should review this screen to verify which funds are available for electronic transmittal.

**NOTE:** Agencies submitting electronic statements are subject to the same report deadlines as agencies submitting paper copies (July 31 and August 20). The SCO will not accept electronic transmittals after August 20, 2004.

Also, to electronically submit year-end statements to SCO, GL 1110 and GL 1130 must have debit balances.

For questions related to the new CALSTARS Automated Year-end process, please contact Kelley Woodward at (916) 445-0211, extension 2825 or Mark Baude at (916) 445-0211, extension 2844.

/s/Ken Lane

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